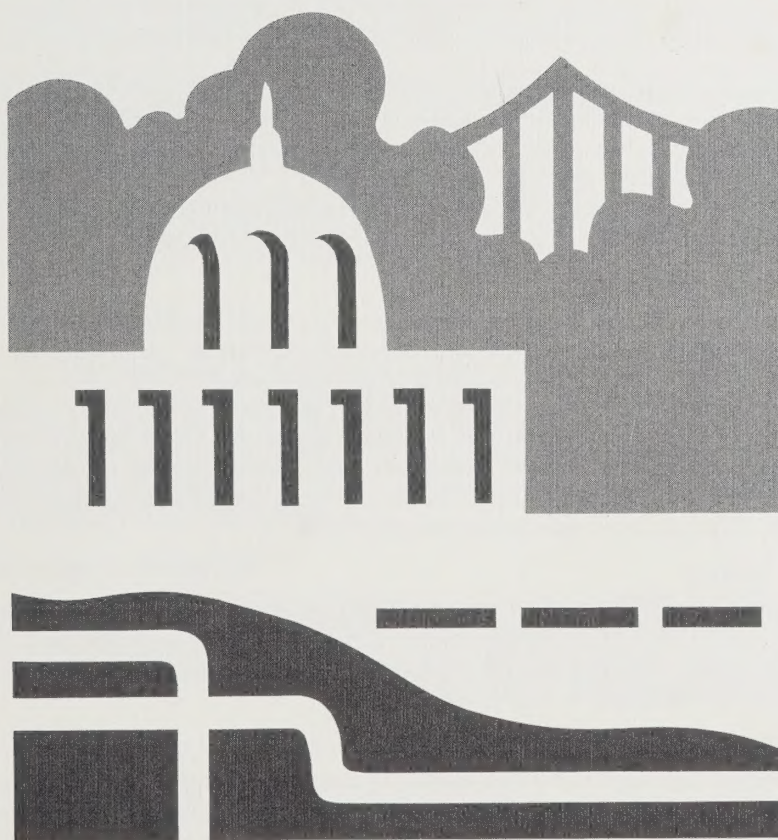


A STUDY OF THE INFRASTRUCTURE OF THE CITY AND COUNTY OF SAN FRANCISCO

Submitted to the Mayor and the Board of Supervisors

November 25, 1985



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A STUDY OF THE INFRASTRUCTURE OF THE CITY AND COUNTY OF SAN FRANCISCO

SUMMARY

Purpose

The Capital Improvement Advisory Committee (CIAC) undertook this review of San Francisco's capital assets—its infrastructure—to call attention to the infrastructure's condition and recommend a long-range maintenance program and the methods to finance it. Included are assessments of the extent of deterioration of our buildings, piers, pipes, parks, sewers, streets, bridges, dams, reservoirs, runways and equipment and their current replacement cost.

This review took eight months to complete and drew on the expertise of many professionals. Most of the information comes from these professionals' estimates and while less accurate than if it came from engineering valuations, the CIAC believes the overall picture presented in this report is a true one.

The serious infrastructure problems uncovered by this study undoubtedly would have been much worse had the city not spent heavily on maintenance in recent years. From 1978-79 through 1983-84, the city invested \$930 million in 1985 dollars in maintenance—an average of \$155 million a year, the highest in the city's history.

Still, infrastructure problems persist because San Francisco is 140 years old and its capital assets have become increasingly costly to maintain. Some must be replaced.

Need for a Broad Review

In recent years, the CIAC has focused primarily on assessing individual capital projects, largely because of the constraints imposed by Proposition 13, passed in 1978. Early in 1985, the CIAC decided that this piecemeal approach needed to be expanded.

At issue were increasingly visible deterioration in portions of the city's infrastructure and a financial environment that appeared to be changing significantly. The budget surpluses of recent years seemed likely to disappear, and there was the possibility that Proposition 13 might be amended in June 1986 to provide easier access to funds for capital projects. There also were growing concerns about seismic and asbestos problems.

Replacement Value

The infrastructure has 11 different types of capital assets with an estimated total current replacement value of \$15.4 billion. These assets are buildings, piers, pipes, parks, sewers, streets, bridges, dams, reservoirs, runways and equipment. (School facilities and the Community College District have not been included in this review.)

Impairment

Impairment of the infrastructure amounts to an estimated \$1.162 billion. The primary problem is deterioration, but additional problems related to safety, health and working efficiency affect the well-being of San Franciscans, the quality of city services and the productivity of city employees.

Deterioration

Infrastructure deterioration estimates total at least \$914.3 million of the \$1.162 billion. The CIAC defines deterioration as the wear and tear and structural fatigue that decrease the ability of an asset to perform its intended function. This deterioration has been caused by age, many years of deferred maintenance, recent double-digit inflation and, since 1978, Proposition 13. If it is ignored, the deterioration will become more severe and eventually unmanageable.

Other Impairment Problems

The city's infrastructure also is impaired by other problems estimated to cost \$248 million of the total \$1.162 billion to repair. These are seismic vulnerability, asbestos exposure, certain problems related to fire safety, and inadequate working conditions in various office buildings and shops.

Financing Methods

The city needs to spend \$1.162 billion to correct the existing impairment. The CIAC has reviewed the question of how to finance this large amount of work, aware that the city's revenues are shrinking and that the city faces future fiscal uncertainty. The goal was to find financing mechanisms that fit logically with the work that needs to be done, and that do not affect the present revenue stream but rather provide additional sources of revenue. The CIAC recommends three financing programs:

General obligation bonds for resolving safety and health matters in departments without access to user fees, provided Proposition 46, the amendment of Proposition 13, is approved in the June 1986 election (\$327 million): Based on an increase in the property tax, this is the least expensive financing method available; it requires a two-thirds vote. Included are repairs relating to seismic and asbestos exposures, fire safety code problems and high-pressure fire main deterioration. It would cost the average homeowner \$52 a year initially, plus \$24 more starting in year 6 and \$7 more starting in year 11. If Proposition 46 fails in June, the CIAC recommends increasing the sales tax and using sales tax revenue bonds as an alternative.

Sales tax and business tax increases, in equal amounts, for other repairs in departments without access to user fees (\$418 million): Both tax increases would be dedicated solely to infrastructure repairs; this requires a two-thirds vote in each case. Included are repairs to streets, buildings, parks and equipment, and improvement of working conditions. It would raise the sales tax from 6.5 cents to 6.75 cents and the business tax by 13.3%.

User fee increases for departments that can impose them (\$417 million): The fees that would be increased are the Port maritime and rental fees, the water charge and the sewer service charge. Included are repairs to piers, pipes and sewers. It would raise the average water bill \$1.62 bi-monthly in years 1, 7, and 13, and the average sewer service charge 61 cents bi-monthly in years 1, 6 and 11.

Priorities

Priorities are essential because there is much work to do and funds are scarce. The CIAC feels that urgent projects—those connected with safety and health such as asbestos removal, or with the repair of a heavily deteriorated asset such as the San Bruno jail—should be given high priority and repaired first. Less urgent work can be scheduled for as long as 18 years in order to keep the annual financial requirements manageable. The CIAC recommends a construction program that begins now and ends after the turn of the century.

Annual Maintenance Needed

The city has been spending heavily on maintenance in recent years, but we still appear to be falling behind. The city needs to spend an estimated \$205 million per year on maintenance to keep up with normal wear and tear, \$50 million a year more than we have been spending. The problem is that we have \$15.4 billion worth of assets, many of them old. The older an asset, the costlier it is to maintain.

In 1987 the city will receive from the Capital Assets Management System (CAMS) Program an engineering valuation of the exact amount of annual maintenance needed. The CIAC recommends continuing our existing level of maintenance until then and increasing it upon receipt of the valuation.

Conclusion

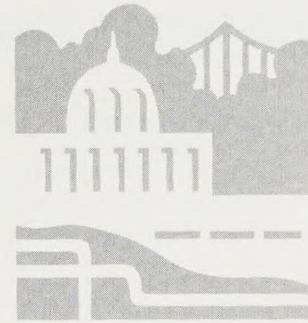
Infrastructure impairment exists in every city, and San Francisco is no exception. Our impairment is extensive. The CIAC therefore recommends an 18-year-long maintenance program, based on the establishment of sensible priorities, to deal with it. Also suggested are financing methods to pay for this program that do not reduce existing revenues but instead produce additional ones.

Adopting a long-term program that eliminates the existing impairment and keeps up with normal deterioration will add to the well-being of our citizens, improve the quality of city services and the productivity of city employees, and put the city in the strongest possible position to face the new century.

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A STUDY OF THE INFRASTRUCTURE OF THE CITY AND COUNTY OF SAN FRANCISCO



INTRODUCTION AND OBJECTIVES

The Capital Improvement Advisory Committee (CIAC) is defined by Sections 3.05-3.010 of the San Francisco Administrative Code. The Committee was established in order to determine and recommend to the Mayor and Board "priority and financing programs for all capital improvement projects, reconstruction or replacement items, and maintenance and repair items which are proposed for inclusion in the budget for each fiscal year" (Section 3.05). The CIAC consists of the Chief Administrative Officer (chairperson), Controller, Director of Public Works, Director of Planning, General Manager of Public Utilities and General Manager of Recreation and Parks.

In recent years, the CIAC has focused primarily on the assessment of individual capital projects to ensure that only those with the highest priority were included in the city's budget. Serious budgetary constraints have existed during the past decade, in part because of the passage of Proposition 13 and the effects of double-digit inflation. Many important projects have had to be deferred because funding was not available, even though total infrastructure spending has increased very significantly in recent years.

The CIAC has become increasingly concerned about the results of this piecemeal approach to capital budgeting and the increasing visible deterioration of portions of the city's infrastructure. It also recognizes that the financial environment may be undergoing significant change. The budget surpluses of recent years seem likely to disappear. There is also the possibility that Proposition 13 will be amended to provide easier access to funds for capital projects. Important infrastructure decisions will undoubtedly be necessary during the next few years.

Accordingly, the CIAC decided to undertake a broad assessment of the city's infrastructure in order to define the magnitude and nature of the problem. The specific objectives were to determine the current replacement value of the infrastructure, estimate the extent of existing impairment, recommend financing methods and priorities, and assess the adequacy of the present maintenance efforts.

APPROACH

Little exact information exists regarding the replacement value of the city's infrastructure, the extent and nature of the deterioration, and the cost of repairing it. The city's Capital Asset Management System (CAMS) will be providing exact data but not until late 1987. Based on engineering appraisals, CAMS will show the value of each building, the amount of its deterioration and the amount required each year for its maintenance.

As a point of departure in what turned out to be an eight-month effort, the CIAC utilized the existing data from the CAMS project and the information contained in the 1983 Strategic Plan by the San Francisco Chamber of Commerce.

The CIAC then obtained estimates from general managers and support staff of the city's major departments. A CIAC sub-committee consisting of the Director of Public Works, the City Engineer, the Director of Property, the City Architect, and the Capital Projects Coordinator carefully reviewed these estimates.

In addition, an independent validation of deterioration was made by the engineering divisions of Skidmore, Owings & Merrill, Dinwiddie Construction, Chevron Corporation, DeLeuw Cather & Co., Parsons Engineering, Embarcadero Center, Ltd., and Hellmuth, Obata & Kassabaum.

FINDINGS AND RECOMMENDATIONS

Replacement Value

The CIAC estimates the replacement value of the city's infrastructure to be \$15.4 billion. (School facilities and the Community College District have not been included in this review.) A breakdown by category is shown below. Additional details are shown in Exhibit 1.

	Dollars in Billions	Percent of Total
Buildings and Structures (including piers, parks and runways)	\$4.2	27.3%
Water Pipes	3.9	25.3
Sewers, Sewer Plant and Sewer Equipment	3.6	23.4
Streets, Bridges and Traffic Equipment	1.8	11.7
Dams and Reservoirs	1.1	7.1
Equipment	0.8	5.2
Total	\$15.4	100.0%

Two problems exist with the city's infrastructure: a significant amount of impairment and an apparent shortfall in the annual expenditures for capital maintenance. Each is described in the following sections.

Impairment

Considerable impairment of the infrastructure exists. The primary problem is deterioration, but there are additional problems that relate to safety, health and working conditions. These problems affect the well-being of San Franciscans, the quality of city services, and the productivity of city employees.

The CIAC estimates that approximately \$1.2 billion is required to remedy the existing impairment of the city's infrastructure. A breakdown by category is shown below. Additional details are provided in Exhibit I.

	Dollars in Millions	Percent of Total
Buildings and Structures (including piers, parks and runways)	\$734	63.2%
Water Pipes	242	20.8
Sewers, Sewer Plant and Sewer Equipment	75	6.5
Streets, Bridges, and Traffic Equipment	107	9.2
Dams and Reservoirs	—	—
Equipment	4	0.3
Total	\$1162	100.0%

Deterioration

Deterioration is the reduction over time in the ability of the infrastructure components to perform their intended functions due to physical causes. The primary causes are aging, wear and tear, and structural fatigue. Other contributing causes include vandalism, exposure to elements, accidents and misuse.

The CIAC estimates that the cost of repairing the existing deterioration to the city's infrastructure is \$914 million. A breakdown by category is shown below. Additional details are provided in Exhibit I.

	Dollars in Millions	Percent of Total
Buildings and Structures (including piers, and parks and runways)	\$486	53.2%
Water Pipes	242	26.5
Sewers, Sewer Plant and Sewer Equipment	75	8.2
Streets, Bridges, and Traffic Equipment	107	11.7
Dams and Reservoirs	—	—
Equipment	4	0.4
Total	\$914	100.0%

San Francisco, the oldest city in the West, is paying the price of age. It has 245 miles of sewers (27% of the sewer system) that are over 93 years old. It also has 60 buildings (29% of the total square footage) that are between 50 and 80 years old. City Hall and Civic Auditorium, for instance, are 70 years old. Laguna Honda and the older sections of San Francisco General Hospital are over 66 years old.

Deterioration, of course, can and should be countered by maintenance, which requires adequate annual appropriations. Although appropriations in recent years have been large, in the past they were often deferred. This former practice of deferred maintenance accounts for a large portion of the infrastructure deterioration that now exists.

This situation was exacerbated in 1978 by the passage of Proposition 13. Proposition 13 essentially eliminated the least expensive way to finance infrastructure maintenance, namely to increase property taxes to meet the cost of servicing new general obligation bonds. At the same time, inflation rose to double digits, increasing maintenance costs.

Other Impairment Problems

The city's infrastructure is also impaired by seismic and asbestos exposure, fire safety problems and inadequate working conditions. The CIAC estimates that the cost of remedying these problems is \$248 million.

	Dollars in Millions	Percent of Total
Seismic	\$190	76.6%
Asbestos	17	6.9
Fire safety	25	10.1
Working conditions	16	6.4
Total	\$248	100.0%

Seismic Buildings constructed before the establishment of seismic regulations in 1948 may be vulnerable to damage during a strong earthquake. Approximately 30% of the city's buildings fall into this category.

The only city property for which a complete seismic study has been performed is Laguna Honda Hospital. The study shows that major seismic work needs to be done at a total cost of \$31 million. Without this work, a major earthquake could render the building unusable (although the study says that it would not collapse).

We think that similar studies should be made immediately of all major city buildings constructed before 1948. Reasoning from the Laguna Honda situation, the CIAC estimates that the cost of seismic correction in all city buildings is \$190 million.

Asbestos Asbestos, installed many years ago, is used in many city buildings to insulate boilers and hot water pipes, and for acoustical treatment of interior work space. In the last few years, it has been determined that airborne asbestos fiber may pose a serious health hazard. Asbestos use was discontinued in 1975, but about 320 city buildings were built prior to that date. Preliminary estimates by Environmental Health inspectors indicate that approximately one-half of these buildings require remedial work. The CIAC estimates that the cost to make the necessary corrections is \$17 million.

Fire Safety Many city buildings do not meet essential fire safety requirements. These include the marking of fire escapes, secondary egresses, smoke alarms, widened doorways, sprinklers and public address systems. The CIAC estimates that the cost of meeting these requirements is \$25 million.

Working Conditions Many city offices and shops are extremely difficult to work in. Space is inadequate, ventilation is poor, and the lighting is insufficient. Working conditions of this sort result in poor morale, high employee turnover, and a growing inability to attract and hire competent personnel. The CIAC estimates that \$16 million is needed to improve these conditions. Some examples follow:

- The County Clerk's Office and Municipal Court Clerks (Criminal Division) at the Hall of Justice. Overcrowding results in the lack of sufficient windows to serve the public. The windows that do exist are adjacent to noisy corridors. The absence of storage facilities forces inefficient response to the public's requests for information.
- The Bureau of Building Inspection at 450 McAllister. Severe overcrowding causes considerable noise. Both the building inspectors and the public, including contractors at the public counter attempting to concentrate on construction plans, are adversely affected by the resultant noise and confusion.
- The City Attorney's Office in City Hall. There is intense overcrowding leading to inefficiency and an unprofessional environment. City attorneys currently work from two to four to an office. Such critical legal functions as attorney-client conferences or the taking of depositions are difficult and sometimes impossible to accomplish. The absence of storage space necessitates the maintaining of files in hallway crates, with consequent inaccessibility.
- Electronic Data Processing at 240 Van Ness. Due to poor ventilation and overcrowding, the environment is noisy, uncomfortable and inefficient to work in. In addition, employees are currently scattered among seven locations, leading to both increased costs for leased space and lost productivity due to the difficulty of coordinating information.

Financing Methods

The city needs to spend \$1.162 billion to correct the existing impairment. We have reviewed the question of how to finance this large amount of work, being aware that the city's revenues are shrinking and that the city faces future fiscal uncertainty. Our goal was to find financing mechanisms that fit logically with the work that needs to be done, and that do not affect the present revenue stream but rather provide additional sources of revenue.

We therefore recommend three financing programs:

- General obligation bonds for resolving health and safety matters in departments without access to user fees—provided Proposition 46, the amendment of Proposition 13, is approved in the June 1986 election.
- A combination of business and sales tax increases for other repairs in these same departments.
- User fee increases for departments and bureaus that can impose them.

Priorities

The CIAC believes that priorities are essential, both because of the magnitude of the work to be done and the limited sources of funds. We suggest that project priorities should be based upon health and safety considerations; the degree of threat to the structural integrity of the asset; and the size, complexity and lead times of the required effort. We further suggest that work should be programmed over 18 years in order to keep the annual financial requirements manageable.

For example, we recommend that asbestos abatement and the fire safety improvements be done over the next five years; that seismic modifications be scheduled over 10 years with the most critical work (representing two-thirds of the effort) completed in first five years; and that repairs to high-pressure fire mains be scheduled over 15 years with the most urgent work completed in the first two years.

We have developed an overall Infrastructure Maintenance Program for remedying the existing infrastructure impairment. That program is summarized below with additional details provided in Exhibit II. Examples of high-priority projects are listed in Exhibit III.

	Dollars in Millions	Percent of Total
General Obligation Bonds	\$ 327	28.1%
Business and Sales Taxes	418	36.0
User Fees	417	35.9
Total	\$1162	100.0%

General Obligation Bonds

The cost of repairing impairments affecting health and safety is estimated at \$327 million in departments without access to user fees.

	Dollars in Millions	Percent of Total
Seismic	\$190	58.1%
Asbestos	17	5.2
High Pressure Mains	95	29.1
Fire Safety Requirements	25	7.6
Total	\$327	100.0%

We recommend the use of general obligation bonds to finance these repairs. General obligation bonds are the least expensive financing method available. Although San Francisco has historically issued relatively few general obligation bonds, this method has been the traditional way to finance infrastructure maintenance in this country. The passage of Proposition 13 in 1978 effectively curtailed the use of these bonds in California by restricting increases in property tax to provide for debt service. A state constitutional amendment to Proposition 13 will be on the ballot in June of 1986 as Proposition 46. If passed this amendment would allow property tax increases for general obligation bonds that are used for infrastructure purposes.

Under our proposal, general obligation bonds (with 20-year terms) would be sold in three issues, five years apart. A two-thirds vote would be required in San Francisco for this purpose. The resultant increase in the average property tax bill for each single family homeowner would be \$52 in the first year, \$24 in the sixth year, and \$7 in the eleventh year.

If the amendment to Proposition 13 fails to pass, we recommend the use of sales tax revenue bonds backed by a .5-cent increase in the sales tax (from 6.5 cents to 7.0 cents). Approval by the Legislature and a two-thirds vote in San Francisco would be required for this purpose. These bonds would be sold in three issues (with 30-year terms) in the same manner as contemplated for the general obligation bonds. They would be dedicated to infrastructure maintenance.

The State of Illinois recently used this type of financing for \$1.3 billion worth of infrastructure work. At 7 cents, San Francisco would be at the same level as San Jose and would still be below New York City (at 8.25 cents) and Chicago (at 7.25 cents).

Business and Sales Taxes

The cost of the remaining impairments in departments without access to user fees is estimated at \$418 million.

	Dollars in Millions	Percent of Total
City Buildings:		
Deterioration	\$284	67.9%
Working conditions	16	3.8
Subtotal	\$300	71.7%
Streets, Bridges, and Traffic Equipment	\$107	25.6%
Recreation and Parks	7	1.7
Equipment	4	1.0
Total	\$418	100.0%

We recommend that these repairs be financed on a 50:50 basis by increases in the business taxes and sales tax. This recommendation assumes that the amendment to Proposition 13 passes in June 1986. If it does not, then the mix of financing methods would have to be restudied.

Business Taxes Specifically, we recommend an increase in the payroll tax from 1.5% to 1.7% and an increase in the average gross receipts tax of \$0.27 per thousand (from \$2.00 to \$2.27) to finance these repairs. Revenue from these tax increases would be dedicated to infrastructure maintenance. A two-thirds vote would be required in San Francisco for this purpose.

Sales Tax We recommend the use of sales tax revenue bonds backed by a .25-cent increase in the sales tax (from 6.50 cents to 6.75 cents). This revenue would also be dedicated to infrastructure maintenance. Approval of the Legislature and a two-thirds vote in San Francisco would be required for this purpose.

User Fees

The departments or bureaus with access to user fees are Water, Port, Sewers, Convention Facilities, Airport and Hetch Hetchy. The cost of remedying impairments in these departments and bureaus is estimated at \$417 million.

	Dollars in Millions	Percent of Total
Port	\$200	48.0%
Water	140	33.6
Sewers	75	18.0
Convention Facilities	2	0.4
Airport	—	—
Hetch Hetchy	—	—
Total	\$417	100.0%

We recommend that revenue bonds backed by increased user fees be used for this purpose as follows:

- Finance repairs to piers with Port rental and maritime fees at the rate of \$20 million per year. This recommendation is based on the assumption that these repairs are justified by the continued growth of maritime activities at the Port.
- Finance repairs to water pipes with water revenue bonds at the rate of \$7.8 million per year. The increase in cost to the average user would be approximately \$1.62 bimonthly (\$9.72 annually) in years 1, 7 and 13.

- Finance repairs to sewers with sewer revenue bonds at the rate of \$5 million per year. The increase in cost to the average user would be approximately \$0.61 bimonthly (\$3.66 annually) in years 1, 6 and 11.
- Finance the required \$2 million in repairs to the Convention Facilities with hotel tax revenues. No increase would be required.

Annual Maintenance

In recent years, the city has spent heavily on infrastructure maintenance. During the six-year period from 1978-79 through 1983-84, the city spent an average of \$155 million per year—\$930 million in 1985 dollars—on infrastructure repairs, the highest spending rate in our history.

However, we estimate that the city needs to reinvest about \$205 million in 1985 dollars annually in maintenance in order to keep up with normal deterioration. This amount is \$50 million above the average expenditure level of the last six years.

Two different methods were used to develop this estimate. Both are based on judgments rather than on engineering valuations. In the first method, the replacement values and useful lives were estimated for each category of the city's assets. Annual maintenance requirements were then calculated on a straight-line basis. Details are shown in Exhibit I. In the second method, each department head developed independent estimates of the amount of money needed by his or her department to keep up with normal deterioration. The resulting estimates of annual capital maintenance were \$201 million and \$207 million, respectively.

Any shortfall in the expenditures required to keep up with normal deterioration produces deferred maintenance. Deferred maintenance can be expensive when it results in repairs on an emergency basis. All too often that is what happens. Some examples:

- The annual cost of maintaining Laguna Honda Hospital's laundry room washers, dryers and valves is normally about \$25,000. Maintenance was deferred and total replacement of the machinery cost \$1 million.
- A recent water main break near Embarcadero One necessitated the emergency replacement of 20 feet of main at a cost of \$50,000 and the interruption of water service for one full day. Had this repair been accomplished on a scheduled basis, the routine cost would have been \$4,000 without any loss of service.
- When a piece of granite ballustrade near the City Hall dome broke off and fell through the skylights on the building's north side, the total cost for repairing the skylights, ceilings and ballustrade on an emergency basis was \$500,000. Had the ballustrades been routinely rejointed, the cost would have been \$30,000.

The problem is that we have \$15.4 billion worth of assets, many of which are old and becoming increasingly costly to maintain.

In 1987 the city will receive an engineering valuation of the exact amount of annual maintenance needed. We recommend continuing our existing level of expenditure until then and increasing it upon receipt of the valuation.

EXHIBIT I

DETAILED INFRASTRUCTURE DATA

CATEGORY	Replacement Value (in billions)	Annual Required Maintenance (in millions)	Impairment (in millions)
1. BUILDINGS AND STRUCTURES			
City Buildings:	\$1.65	\$16.5	\$284.3
Seismic Modifications	—	—	190.0
Asbestos Abatement	—	—	17.0
Working Conditions	—	—	16.0
Fire Safety			25.0
Subtotal — City Buildings	\$1.65	\$16.5	\$532.3
Convention Facilities	0.20	2.0	2.0
Airport Terminals	0.60	10.0	0.0
Airport Runways	0.30	15.0	0.0
Water Dept. Structures	0.30	2.0	0.0
Hetch Hetchy Buildings	0.06	1.2	0.0
Recreation/Park Grounds	0.05	12.0	0.0
Port Piers	1.00	8.3	200.0
Total — Buildings and Structures	\$4.16	\$67.0	\$734.3
2. WATER PIPES			
Hetch Hetchy	\$1.00	\$8.0	\$0.0
Water Dept. — SF	1.70	13.6	140.0
Water Dept. — Peninsula	1.00	8.0	0.0
High Pressure Mains	0.19	1.9	95.0
Recreation/Parks	0.03	1.3	7.0
Total — Water Pipes	\$3.92	\$32.8	\$242.0
3. SEWERS, SEWER PLANT AND SEWER EQUIPMENT			
New Sewers	\$0.55	\$3.1	\$0.0
New Sewer Plants	0.15	1.0	0.0
New Sewer Equipment	0.05	2.0	0.0
Subtotal — New Sewers	\$0.75	\$6.1	\$0.0
Old Sewers	\$2.75	\$15.7	\$75.0
Old Sewer Plants	0.05	0.3	incl.
Old Sewer Equipment	0.02	0.8	incl.
Subtotal — Old Sewers	\$2.82	\$16.8	\$75.0
Total — All Sewers	\$3.57	\$22.9	\$75.0
4. STREETS, BRIDGES, AND TRAFFIC EQUIPMENT			
Streets and Bridges	\$1.72	\$17.7	\$65.0
Traffic Signals	0.06	2.3	40.0
Traffic Signs	0.01	1.2	2.0
Total — Streets and Bridges	\$1.79	\$21.2	\$107.0
5. DAMS AND RESERVOIRS			
Hetch Hetchy	\$0.70	\$2.8	\$0.0
Water Department	0.40	1.8	0.0
Total — Dams and Reservoirs	\$1.10	\$4.6	\$0.0
6. EQUIPMENT			
Hetch Hetchy Electrical	\$0.30	\$10.0	\$0.0
Muni Rolling Stock	0.36	30.0	0.0
All Other Equipment	0.16	13.3	4.0
Total — Equipment	\$0.82	\$53.3	\$4.0
TOTAL ALL CATEGORIES	\$15.36	\$201.8	\$1,162.3

EXHIBIT II

INFRASTRUCTURE MAINTENANCE PROGRAM

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Total Impair- ment
FINANCING CATEGORY																			
1. Safety & Health Repairs																			
Seismic Modifications	\$25.5	\$25.5	\$25.5	\$25.5	\$25.5	\$12.5	\$12.5	\$12.5	\$12.5	\$12.5									\$190
Asbestos Abatement	3.4	3.4	3.4	3.4	3.4														17
High Pressure Mains	9.5	9.5	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8				95
Fire Safety	5.0	5.0	5.0	5.0	5.0														25
Subtotal - Safety & Health	\$43.4	\$43.4	\$39.7	\$39.7	\$39.7	\$18.3	\$18.3	\$18.3	\$18.3	\$18.3	\$5.8	\$5.8	\$5.8	\$5.8	\$5.8	\$0.0	\$0.0	\$0.0	\$327
2. Building & Street Repairs																			
City Buildings																			
Deterioration	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0	\$19.0				\$284
Working Conditions	3.2	3.2	3.2	3.2	3.2														16
Streets/Bridges/Traffic Equipment	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1				107
Recreation & Park Pipes	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7									7
Equipment	1.3	1.3	1.3																4
Subtotal - Buildings & Streets	\$31.3	\$31.3	\$31.3	\$30.0	\$30.0	\$26.8	\$26.8	\$26.8	\$26.8	\$26.8	\$26.1	\$26.1	\$26.1	\$26.1	\$26.1	\$0.0	\$0.0	\$0.0	\$418
3. Revenue Group Repairs																			
Water Pipes	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$140
Sewers	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0				75
Port Piers	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0									200
Convention Facilities	0.4	0.4	0.4	0.4	0.4														2
Subtotal - Revenue Group	\$33.2	\$33.2	\$33.2	\$33.2	\$33.2	\$32.8	\$32.8	\$32.8	\$32.8	\$32.8	\$12.8	\$12.8	\$12.8	\$12.8	\$12.8	\$7.8	\$7.8	\$7.8	\$417
Total	\$107.9	\$107.9	\$104.2	\$102.9	\$102.9	\$77.9	\$77.9	\$77.9	\$77.9	\$77.9	\$44.7	\$44.7	\$44.7	\$44.7	\$44.7	\$7.8	\$7.8	\$7.8	\$1,162
SUMMARY																			
1. Safety & Health Repairs	\$43.4	\$43.4	\$39.7	\$39.7	\$39.7	\$18.3	\$18.3	\$18.3	\$18.3	\$18.3	\$5.8	\$5.8	\$5.8	\$5.8	\$5.8	\$0.0	\$0.0	\$0.0	\$327
2. Building & Street Repairs	31.3	31.3	31.3	30.0	30.0	26.8	26.8	26.8	26.8	26.8	26.1	26.1	26.1	26.1	26.1	0.0	0.0	0.0	418
3. Revenue Group Repairs	33.2	33.2	33.2	33.2	33.2	32.8	32.8	32.8	32.8	32.8	12.8	12.8	12.8	12.8	12.8	7.8	7.8	7.8	417
Total	\$107.9	\$107.9	\$104.2	\$102.9	\$102.9	\$77.9	\$77.9	\$77.9	\$77.9	\$77.9	\$44.7	\$44.7	\$44.7	\$44.7	\$44.7	\$7.8	\$7.8	\$7.8	\$1,162

EXHIBIT III

EXAMPLES OF HIGH PRIORITY PROJECTS

- Remove loose fixtures at Laguna Honda Hospital
- Perform a seismic survey of all pre-1948 structures
- Perform an asbestos survey of all pre-1975 structures
- Make major seismic corrections at Laguna Honda Hospital
- Remove seismic and asbestos exposures found to exist
- Perform condition assessment of city buildings
- Replace or repair heavily deteriorated Fire Department high-pressure mains
- Remove advanced deterioration in buildings such as the San Bruno Jail
- Remove advanced deterioration in water pipes such as the 8-inch mains on Battery from Bush to Pacific
- Replace functionally obsolete Northern Police Station
- Remove advanced deterioration in sewers such as those on Guerrero Street from 18th to 28th Streets
- Repair Pier Nos. 30, 32, 70 and 80
- Remove advanced deterioration in streets such as Townsend

EXHIBIT IV

Personnel Who Assisted the CIAC in the Preparation of the Report

Data Review and Evaluation

Frank Moss
Norman Karasick
Wallace Wortman
Calvin Malone

City Engineer
City Architect
Director of Property
Capital Projects Coordinator

Research, Analysis, Editing

Robert Gamble
John Cribbs
Jack Moerschbaeher
Fred Weiner
Ara Minasian
Kary Schulman
Joan Lubamersky
James M. Edgar
James Hudak
Jane Cloninger
Robert Kenealey
Shauna Rose

Executive Assistant, CAO
Principal Engineer
Convention Facilities Department
Convention Facilities Department
Analyst, CAO
Administrator, Hotel Tax Fund
Analyst, CAO
Edgar, Dunn & Company Inc.
Arthur Anderson Co.
Edgar, Dunn & Company Inc.
Deputy City Attorney
CAO Office

Resource Personnel

Chris Baldo
Dennis Bouey

Ann Branston
Ted Chung
Terrence Comerford
James Cooney

Controller's Office; CAMS
Deputy Director, Facilities, Operations and Maintenance,
San Francisco Airport
Deputy General Manager, Muni Railway
Deputy General Manager, Hetch Hetchy Water and Power
Blythe Eastman Dillon
Manager, City Distribution Division Water Department

EXHIBIT IV (Continued)

Personnel Who Assisted the CIAC in the Preparation of the Report

Resource Personnel (Continued)

Duke Edwards	Superintendent of Harbor Maintenance, Port Commission
Robert Feyer	Orrick, Herrington & Sutcliffe
Mary Fitzpatrick	Controller's Office; CAMS
David Fong	Controller's Office
Ed Gerber	Legislative Representative
John Guthrie	Assistant Controller and Director of CAMS
Ed Herrington	Supervising Fiscal Officer, PUC - Finance Bureau
Dale Horwitz	Salomon Bros., NYC
Cliff Jarrard	Administrative Engineer, Port Commission
Art Jensen	Water Department
Vello Kiisk	Chief Harbor Engineer, Port Commission
Jim Lucey	Assistant Superintendent of Parks, Structural Maintenance, Recreation and Parks Department
John Madden	Controller's Office
Anson Moran	Assistant General Manager, Finance, PUC
Davis Schwartz	Deloitte, Haskins & Sells; CAMS
Bruce Shafer	Assistant Assessor
Alan Simpson	Central Automotive Shops
Rich Sullivan	Assistant Tax Collector
Frank Tatum, Jr.	Mayor's Fiscal Advisory Committee
Vitaly Troyan	Chief, Bureau of Engineering, Public Works Department
Jason Yuen	Administrator, Bureau of Planning and Construction, San Francisco Airport

Deterioration Validation

Ben Cole	Chevron
Jose Gomez	Embarcadero Center
Jerry Maxwell	Embarcadero Center
Carl A. Scholz	Skidmore, Owings & Merrill
Carl H. Jordan	Skidmore, Owings & Merrill
Michael H. O'Malley	Skidmore, Owings & Merrill
Rick Beall	Skidmore, Owings & Merrill
Peter Geraghty	Skidmore, Owings & Merrill
Easdon K. Smith	Dinwiddie Construction Co.
Rick Leicher	Dinwiddie Construction Co.
Al Hook	Dinwiddie Construction Co.
Patrick J. Creegan	Parsons Engineering
Luciano Meiorin	Parsons Engineering
Robert G. Caughey	De Leuw Cather
Jeanne MacLeamy	Hellmuth, Obata & Kassabaum
James Henrekin	Hellmuth, Obata & Kassabaum

Seismic Vulnerability

Ed Zacker	H.J. Brunnier & Assoc.
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The Capital Improvement Advisory Committee submitted this report to the Mayor and the Board of Supervisors of the City and County of San Francisco on November 25, 1985. This printing is May 1986.

Mayor Dianne Feinstein

Board of Supervisors

Harry G. Britt
Richard Hongisto
Willie B. Kennedy
Quentin L. Kopp
Bill Maher
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